Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: National Aeronautics and Space Administration - Use of Appropriations to Fund Expansion of "Career Transition Assistance Program"

File: B-272040

Date: October 29, 1997

DECISION

National Aeronautics and Space Administration (NASA) proposes to use its appropriations to fund an expanded "Career Transition Assistance Program," including increased assistance identifying job prospects for NASA employees and incentive payments to contractor for identifying jobs accepted by NASA employees. As part of its agency personnel management, NASA has a wide range of discretion to decide not only the amount but the type of outplacement assistance provided its employees. We have no objection to an expanded CTAP program, including contractor bonuses or incentive fees for identifying jobs accepted by NASA employees, so long as NASA determines that the expenditures inure primarily to NASA's benefit and the additional cost is reasonable in light of the anticipated benefits.

DECISION

The General Counsel, National Aeronautics and Space Administration (NASA), has requested a decision on the propriety of using appropriations to fund an expansion of its "Career Transition Assistance Program" (CTAP). The CTAP is operated by a contractor and offers outplacement services to NASA employees. NASA is considering an expansion of the program to offer additional services in part to offset the costs of agency downsizing. As explained below, we would not object to NASA using otherwise available funds for the expanded program provided NASA determines that the expenditures primarily inure to NASA's benefit and the additional cost is reasonable in light of the anticipated benefits to NASA.

Background

NASA established the CTAP to ease the transition for its employees from employment with NASA to employment elsewhere. The CTAP currently offers to all employees various outplacement services such as group seminars, employment

workshops, individual career counseling, access to employer data bases and electronic bulletin boards, and access to equipment for preparation of resumes and applications.

Under the expanded CTAP program NASA is considering, a contractor would conduct job searches for NASA employees based on individual employee job and location preference and would arrange interviews with prospective employers. NASA is considering offering the contractor bonuses or incentive fees contingent upon the contractor identifying jobs accepted by NASA employees.

NASA states that there is no specific statutory authority to use its appropriations for this purpose, but it believes that the proposed expenditures are primarily for the government's benefit and can be justified as a necessary expense of the appropriations available for its personnel program. NASA notes that government agencies have in recent years increasingly offered a wide variety of outplacement services to employees, and while agencies may not have offered the type of services the expanded CTAP would provide, private sector employers have offered such services during large downsizing activities.

In addition, NASA states that the voluntary separation of employees who identify other jobs with the proposed outplacement assistance will be significantly less expensive than the involuntary separation of employees through a reduction in force (RIF) and the payment of severance pay. Finally, NASA notes that involuntary separation of employees through a RIF would have negative emotional and financial impacts on large numbers of affected employees, while the proposed expanded CTAP could reduce the need for a RIF and consequently significantly mitigate these negative impacts on both those who leave NASA for new positions and those who remain with NASA.

In light of the above, while NASA recognizes that the employee who receives a new job under the proposed program benefits, it nonetheless believes that the primary benefit may reasonably be said to run to the government. However, NASA seeks our decision because, although it is aware of decisions of our office authorizing use of appropriated funds for outplacement services, it has found none addressing a program as expansive as the one it proposes.

Analysis and Conclusion

We view outplacement assistance to employees as a legitimate matter of agency personnel administration for which appropriated funds may be used, as long as such assistance benefits the agency. 72 Comp. Gen. 229 (1993); 68 Comp. Gen. 127 (1988). Assistance typically covers the employee's costs in attending seminars, training, and counseling sessions. However, the form or type of the assistance is not dispositive of whether appropriated funds may be used. 72 Comp. Gen. 229

(1993). Rather, the agency must determine whether the expense of the proposed outplacement assistance is necessary to accomplish the purpose of the appropriation to be charged. In this regard, the agency should consider the benefits the agency expects from the proposed outplacement assistance and evaluate the anticipated benefits in light of the cost of the assistance to assure itself that the amount expended for the services is reasonable. 72 Comp. Gen. 230 (1993); 68 Comp. Gen. 127, 129 (1988).

In analyzing the anticipated benefits of an outplacement program in relation to its cost, NASA may appropriately consider factors such as the need for and the size of a downsizing, the difficulty of locating other employment in a market where other agencies also are downsizing, and the monetary costs and negative effects on morale of a RIF that could be avoided by use of the proposed program. Since there is no question that the cost of outplacement services per se is a legitimate agency expense as long as the benefit primarily accrues to the agency, if NASA has analyzed the applicable factors and concludes that the cost of the program is reasonable in relation to the anticipated benefit to the agency, NASA may use available appropriations to fund the program.

Whether NASA chooses to structure the contractor's remuneration to include incentive payments or bonuses payable for each job located is primarily a matter for NASA to determine in deciding how to best formulate the contract to achieve the results desired. We caution, however, that in structuring the contract, NASA should be sensitive to avoid payments to a contractor for locating a job that provides no benefit to the agency. Thus, we would object to the use of appropriated funds to pay a contractor for placement services provided a former employee, for example, to one who had been involuntarily separated and paid severance pay.

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